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THE EFFECT OF INTERNAL CONTROL AND INTERNAL AUDIT ON FRAUD PREVENTION IN PROCUREMENT OF GOODS/SERVICES IN THE GOVERNMENT OF ROKAN HULU DISTRICT

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ABSTRACT

Fraud in procurement of goods and services in government institutions is a wrong action and harms state finances and disrupts good procurement principles. This fraud can occur in various phases, starting from the planning, implementation, to supervision stages, and the results actually cause state losses and have a negative impact on society. The purpose of this study is to analyze the impact of internal control and internal audit with inspection to prevent fraud in government procurement of goods and services. This study uses primary data with all respondents of the regional workforce (SKPD). This involves the procurement of goods and services in the government regulated by the Rokan Hulu region. The sample selection technique in this study uses the technique targeted purposive sampling, and SPSS statistical tool for data analysis. The results of this study indicate that internal control and internal audit in fraud prevention affect the procurement of goods and services. The impact of this study is expected to be the basis for improving the internal control system and reducing the risk of irregularities in the procurement of goods and services by conducting internal audits.

Keywords: *Internal Control, Internal Audit, Prevention Fraud, Procurement of Government Goods or Services*

1. INTRODUCTION

State Procurement of Goods and Services (PBJ) is an activity of procuring goods and services by ministries or institutions or local apparatuses funded by the APBN or APBD, and is a process of identifying needs regarding the transfer of work results. PBJ plays an important role in implementing national development at the central and regional levels to improve public services and increase domestic economic development. The implementation of PBJ is based on the procurement of national goods and services in 2018 Presidential Regulation No. 12, in relation to the procurement of government goods and services. Related to Procurement of Government Goods and Services in Presidential Regulation 2018 Presidential Regulation 2018 Presidential Regulation 2018 2018 NO. 2018 Presidential Regulation No. 2018 Presidential Regulation No. 2018 Presidential Regulation No. 2018 Presidential Regulation No. 2018 Presidential Regulation No. 2018 Presidential Regulation No. 2018 Presidential Regulation No. 2018 Presidential Regulation No. which is regulated under 16. PBJ using the APBN or APBD has a high risk of fraud or cheating.

Based on data from Indonesian Corruption Watch (ICW) during 2019 to 2023, the fraudulent modes in PBJ that often occurred included fictitious activities or projects, totaling 277 cases and mark up as many as 50 cases. Fictitious activities or projects usually involve several parties in the PBJ process, so that the fictitious activities can be hidden. Actions mark up usually done when compiling HPS by increasing the price. Meanwhile, based on data from the Corruption Eradication Commission (KPK), during 2004 to 2023, out of 1,512 corruption

cases handled by the KPK, 339 of them were corruption cases of procurement of goods or services. Based on the Audit Result Report (LHP) of the Audit Board of Indonesia (BPK) for 2005 to 2024, it is known that there were 422 audit findings from the BPK audit in the Rokan Hulu Regency Government. Of that number, 102 findings were related to procurement of goods and services. The problems that often occur are lack of work volume, non-compliance with work specifications, and expensive prices.

Action fraud in PBJ this can occur because PBJ implementers have access and authority over the PBJ process, including: the freedom to manage procurement control procedures directly,direct access to information on the implementation of the PBJ process and, indirect access to information and limited authority tobudget implementation, so that it can carry out limited intervention in budget implementation. This authority is often misused so that fraudulent acts occur for personal or group interests. Therefore, measures are needed to prevent fraudulent acts, including internal control and implementation of internal audits.

Internal control is one of the efforts made to ensure that the entity's objectives can be achieved. Internal control covers all entity activities and must be implemented by all personnel starting from the highest level to the lowest level personnel. Internal control that is planned, prepared, and implemented properly will minimize the risks faced by the organization, one of which is the risk of fraudulent actions. Fraud prevention through internal control can be done by reducing pressure, opportunities and improving individual morale at every level in the organization (Soleman, 2013). In addition, a comprehensive internal control system that is implemented thoroughly and regularly in monitoring the activities of an organization is an important step to maintain and detect the risk of loss that can be caused by fraud (Handoyo and Bayunitri, 2021). Almost the same as the purpose of internal control, internal audits are conducted to improve achievements or values and to improve organizational performance. Internal audits that are well designed and implemented according to standards and carried out by professional and ethically compliant internal auditors will result in quality control and assurance. The results of internal audits can be used by management to improve organizational performance and as a consideration for conducting evaluations if things are found that are not appropriate, including fraudulent actions or fraud. ImplementationInternal audit will increase the effectiveness of fraud prevention through the planning stage, testing stage, and monitoring (Hakim and Suryatimur, 2022).

Based on the discussion above and the high level of deviations in the procurement of goods and services, the author is very interested in conducting research with the aim of providing empirical evidence of the influence of internal control and internal audits on prevention of fraud in the procurement of goods and services at the Rokan Hulu Regency Government.

Internal control

In general, local governments in Indonesia use internal control based on COSO theory where internal control is divided into five control components, namely Reporting Objectives, Control Environment, Risk Assessment, Information Systems, and Control and Monitoring Activities. According to Government Regulation (PP) Number 60 of 2008 concerning the Government Internal Control System (SIPI). SIPI aims to provide adequate assurance for the achievement of effectiveness and efficiency in achieving the objectives of state governance, reliability of financial reporting, security of state assets, and compliance with laws and regulations.

According to previous researchers, internal control is defined as an action taken by an organization that aims to provide assurance that the organization's goals are achieved properly, namely those related to processes, reporting, and compliance (Redding et al., 2013). These actions must be carried out by all personnel in the organization starting from the board of directors, management, and all other personnel to the lowest level, in accordance with their respective authorities. Meanwhile, according to Mayangsari & Wandanarum (2013), internal control is the use of all company resources to improve, direct, control and supervise various activities with the aim of ensuring that the company's goals are achieved.

Audit internal

Internal audit is an independent, objective assurance, and consulting activity designed to add value and improve the operations of an organization (Institute of Internal Auditors). Internal audit functions as an assessment that is free from any or anyone's influence in an organization, both to review, review, study, and assess company activities to provide suggestions and improvements to management so that their responsibilities can be carried out effectively. Internal audit aims to assist all management in carrying out their responsibilities by analyzing assessments, suggestions, and providing comments or recommendations on the activities they examine (Agoes, 2017). Internal auditors play an important role in supporting management in achieving superior company profits and improving company performance. Internal audit helps management achieve superior performance by presenting a systematic approach to assessing and improving the effectiveness of internal controls and providing explanations during evaluations (Apandi & Nasution, 2022)

Government procurement of goods and services

PBJ is regulated based on Presidential Regulation (Perpres) Number 16 of 2018 concerning Government Procurement of Goods/Services as amended by Presidential Regulation Number 12 of 2021 concerning Amendments to Presidential Regulation Number 16 of 2018 concerning Government Procurement of Goods/Services. Government Procurement of Goods/Services (PBJ) is an activityProcurement of Goods/Services by Ministries/Institutions/Regional Apparatus funded by the APBN/APBD, the process of which starts from identifying needs, to handover of work results. In terms of PBJ implementation, it can be divided into two, namely PBJ which is carried out independently and/or through providers, where in general the PBJ process consists of three main activities, namely Procurement Planning, Preparation for Procurement of Goods or Services and, Implementation of Procurement of Goods or Services.The PBJ process can be filled with various interests of each subject or party involved in the procurement of goods or services. For that reason, the entire procurement process of goods/services must run objectively and independently.

Fraud in procurement of goods and services

Fraud can be interpretedas a deviation that is carried out with an element of intent in doing so, with the aim of obtaining benefits intentionally, by abusing a job/position or stealing assets/resources in the organization. In the discussion about fraud there is a theory known as "The Fraud Triangle" (Singleton, 2010), namely the theory that states thataction fraud is caused by three things: Pressure (pressure), Chance (opportunity) and, Justification for action (rationalization). Almost the same, according toTuanakotta (2012), causes of action fraud is fraud by need, fraud by greed, And fraud by opportunity. In other words, if fraud wants to be eliminated then eliminate the causative factors fraud the.

ACFE classifies fraud in general in three forms of behavior fraud each of which has sub-forms fraud which is known by the term "Fraud Tree", that is: Asset Misappropriation, Fraudulent Statement And, Corruption/Corruption. If associated with the theory fraud tree by ACFE, fraud in PBJ activities is usually a form of asset misappropriation and corruption. Form fraud in PBJ can be a criminal act or not. Data on handling of corruption cases by the KPK from 2004 to 2023 shows that there were 339 cases of corruption in the procurement of goods or services in Indonesia involving both the government (central and regional) and other parties (private or companies). FormsfraudIn PBJ, what commonly occurs includes fictitious procurement, mark up price, lack of work volume, and non-conformity of specifications with the contract. In addition, fraud which also happens in PBJ is the act of bribery, which is intended to influence decisions regarding the selection or determination of providers.

Prevention fraud in procurement of goods/services

An act of fraud is usually triggered by an opportunity or chance that the perpetrator feels can be exploited, therefore it is necessary to take action to prevent such an opportunity. According to Puspitasari and Lukman (2021), the opportunity for fraud increases when there is a combination of weak internal controls and authority and access to owned assets and information.Internal control in government is believed to be useful in helping to prevent the occurrence of fraud. In addition to internal control, one way to prevent and minimize fraud is to improve the implementation of internal audits (Handoyo and Bayunitri, 2021), where the implementation of internal audits that are well planned and carried out according to standards will prevent fraudulent actions from occurring fraud.

Based on the background and theoretical basis as explained above, the framework of thought in this research is:

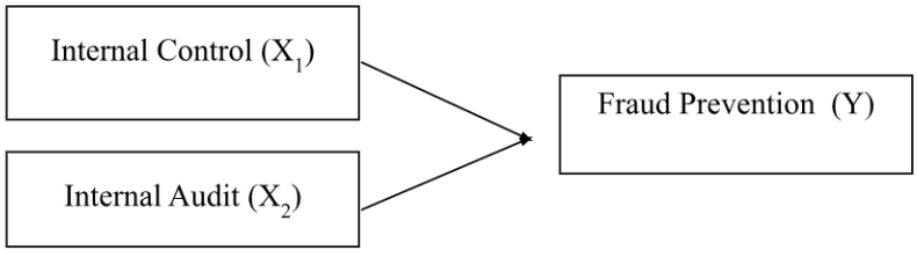

Figure 1. Thinking Framework

The influence of internal control on prevention fraud

Internal control is one of the efforts made to ensure that the entity's objectives can be achieved. Internal control covers all entity activities and must be implemented by all personnel starting from the highest level to the lowest level personnel. Internal control that is planned, prepared, and implemented properly will minimize the risks faced by the organization, one of which is the risk of fraudulent actions. Several previous studies on the influence of internal control on preventing criminal actsfraudAmong them, Soleman (2013) showed thatInternal control has a positive effect on prevention fraud, where fraud prevention is carried out through internal control by reducing pressure, opportunities and improving individual morale at every level in the organization. The same thing is shown by the results of research by Handoyo and Bayunitri (2021) that internal control has an effect on prevention fraud, where a comprehensive internal control system is implemented comprehensively and regularly in monitoring the activities of an organization, is an important step to maintain and detect the risk of loss that can be caused by fraud. Based on the description, the following hypothesis is proposed:

H1: Internal control has a positive effect on prevention efforts fraud procurement of goods or services.

The impact of internal audit on prevention fraud

Internal audits are conducted to improve achievement or value and to improve organizational performance. Internal audits that are well designed and implemented according to standards and carried out by professional and ethically compliant internal auditors will result in quality control and assurance. Internal audit results can be used by management to improve organizational performance and as a consideration for conducting evaluations if inappropriate matters are found, including fraudulent actions or fraud. The results of previous research on the influence of internal audits on prevention fraud, as conducted by Handoyo and Bayunitri (2021) which shows that internal audits have an effect on fraud prevention, where one way to prevent and minimize fraud is to improve the implementation of internal audits. Likewise, research by Hakim and Suryatimur (2022) shows thatinternal audit increases the effectiveness of fraud prevention through the planning stage, testing stage, and monitoring. Meanwhile, research by Lonto et al. (2023) shows that the higher the independence of the internal auditor function, the better the audit quality and the impact on the effectiveness of internal audit in preventing fraud. Based on this description, the following hypothesis is proposed:
H2: Internal audit has a positive effect on prevention efforts fraud procurement of goods/services.

2. RESEARCH METHOD

Method study

The population in this study was all State Civil Apparatus (ASN) of Regional Work Units (SKPD) within the Rokan Hulu Regency Government, while the sample used was ASN involved in PBJ activities in 29 SKPDs and internal auditors at the Rokan Hulu Regency Inspectorate. The sampling method used in this study was the method purposive sampling, based on the following criteria:

1) ASN involved in PBJ activities in SKPD with significant budget and realization;
2) ASN involved in PBJ activities in SKPD which were previously found in the BPK LHP;
3) ASN who are auditors at the Inspectorate who have experience conducting audits for at least 2 years.

Data collection techniques

The data collected in this study were primary data using questionnaires to respondents who met the sample criteria.The questionnaire was distributed via google form.Measurement of each variable using a Likert scale. According to Sekaran and Bougie (2017), likert scale designed to examine how strongly subjects agree or disagree with statements on the following scale:

Table 1. Likert scale

Strongly Disagree	Disagree	Agree	Strongly Agree
1	2	3	4

Data analysis techniques

Data analysis is a systematically arranged stage in searching and finding field notes, interview transcripts, and other materials collected by researchers. Through this technique, researchers are expected to be able to present data systematically and gain additional knowledge from the data studied so that they can reach accurate conclusions.

Research instrument test

Research instrument testing is done to measure and ensure good and appropriate measuring instruments. Research instruments are tools or facilities used to collect data so that they can work more efficiently, the results can be good, and therefore easier to process. Research instrument testing is as follows:

1) Validity test
   Validity test is a research instrument used to estimate what will be measured. A measuring instrument is said to be valid if the instrument in question can measure accurately. Validity testing is carried out using the r table at a level of 0.05. If r count> r table then it can be declared valid and vice versa if r count < r table then the question item or statement on the questionnaire is asked invalid.
2) Reliability test
   Reliability test is a measure of the stability and persistence or consistency of respondents in answering questions related to research variables presented in the form of statements and compiled into a questionnaire or survey. Reliability test can be measured using statistics with techniquesCronbach's Alpha with an alpha criterion of 0.60. When the value alpha or R count > 0.60 then the variable instrument is declared reliable, and vice versa if the value alpha or R count < 0.60 then the variable instrument is not reliable. So the variable instrument can be said to be reliable when tested and still produces the same data.

Classical assumption test

1) Normality test
   Normality test is a test used to test whether the residual value of the regression result is normally distributed or not. The regression model is declared good if the residual value produced is normally distributed. There are two methods to see whether the residual is normally distributed or not, namely as follows:
   a. Method graphics
      Using the graphical method, the normality test can be seen by looking at the distribution of data on the diagonal source of the P-P normal graph.Plot of regression standardized residual. The final result or final decision is if the points are spread around the line and follow the diagonal line, then the residual value is said to be normal.
   b. Test method one sample kolmogorov smirnov
      Test method One Sample Kolmogorov Smirnov used to determine whether the data distribution is normal, poisson, uniform, or exponential. The residual is said to be normal if the significant value is more than 0.05.

Multicollinearity test

Multicollinearity test is used to determine whether or not there is a correlation between independent variables in a regression model. If there is a correlation between independent variables, then a multicollinearity problem is found. In a regression model, it is said to be good if there is no correlation between independent variables. Multicollinearity testing is done by understanding the VIF value of the model obtained based on output multiple linear regression. Measurement of multicollinearity test, namely if the tolerance value is greater than 0.10 and the VIF value is below 10 (VIF <10), then the regression model does not show symptoms of multicollinearity, and vice versa if the VIF value> 10 then the regression model shows symptoms of multicollinearity. heteroscedasticity. In this study, the heteroscedasticity test uses a graphical method test, namely by looking at the points of the regression graph and the glejser test. The heteroscedasticity test can be measured through a regression model test

which if it shows a significant constant value> 0.05 then it is declared to have passed the test and there is no heteroscedasticity or is valid to be used as a prediction tool. And vice versa, if the regression model test shows a significant value <0.05 then it is declared to have failed the test or there is heteroscedasticity and is not valid to be used as a prediction tool.

Heteroscedasticity test

The heteroscedasticity test is a test done to find out if there is a search inequality from the residuals of the linear regression model that has been observed. The regression equation is said to be good when there are no symptoms

Multiple Linear Regression

In regression analysis, variables are divided into two groups, namely independent variables (free variables) as predictive variables that are more than one in number which are generally symbolized by (X1 and X2) and dependent variables (bound variables) as response variables symbolized by (Y). The regression equation in this study can be formulated as follows:

$$Y = a + b1X1 + b2\ X2 + e$$

Information:

Y = dependent variable (Prevention of Fraud in Procurement of Goods/Services)
a = Constant
b1, b2 = Regression coefficient
X1 = Internal Control
X2 = Audit Internal
e = Standard error

Model test (f test)

The f test is used to see whether the regression model used has an effect on the dependent variable or not. If the significant number of the f test <0.05 then the research hypothesis is accepted, meaning that there is an effect or relationship between the independent variable and the dependent variable. Conversely, if the significant number of the f test >0.05 then the hypothesis is rejected, meaning that there is no significant effect or relationship between the independent variable and the dependent variable. Then it can also be seen from comparing the calculated f value with the table f value. If the calculated f <f table then H0 accepted, and H1 is rejected, and if the calculated f value > tabular f then H0 is rejected and H1 is accepted.

Hypothesis Testing (t-Test)

To test H1and H2 conducted with the t-test, namely to see whether the independent variable has a partial or individual effect on the dependent variable. The level of significance of the t-test uses a significance of 5% (0.05). If the significance value ≤ 0.05 means that the research hypothesis is accepted, because the independent variable or independent variable has a partial effect on the dependent variable or dependent variable. Conversely, if the significance value of the t-test ≥ 0.05 then the research hypothesis is rejected, because the independent variable does not have a partial effect on the dependent variable. Then it can also be seen from when t count > t table it means Ha accepted and H0 rejected. On the other hand when t count < t table it means Ha rejected and H0 accepted. with paired sample t-test.Previously, a normality test was carried out. The normality test was carried out using a statistical test.Kolmogorov-Smirnov. Data is said to be normally distributed if the Z valueskewness and Zkurtosis is between the critical values of -2.58 and 2.58 (at α=0.01) or between -1.96 and 1.96 (at α=0.05) (Ghozali, 2005).

Test Coefficient Determination (R^2)

The coefficient of determination test (R^2) is a test used to determine the extent of the contribution of the independent variable or free variable to the dependent variable or dependent variable. The higher the coefficient of determination test, the higher the influence on the dependent variable.The value of the coefficient of determination is between 0 (zero) and 1 (one). If the value of the coefficient of determination approaches 1 (one), then the influence of the independent variable on the dependent variable is stronger. This means that all independent variables have the data needed by researchers to guess the dependent variable. Meanwhile, if the value of the coefficient of determination is small, approaching 0 (zero) or less than one, then the ability to explain the influence or changes in the dependent variable is limited.

The coefficient of determination test is used to determine how much the independent variable contributes to the dependent variable. In this study, the coefficient of determination test is used to determine how much the independent variable, namely knowledge and policy, contributes to the dependent variable, namely the implementation of green banking behavior. The following is the formula for the coefficient of determination test:

$$R^2 = r^2 \times 100\%$$

Information:
R^2 = Coefficient of Determination
r^2 = Correlation coefficient

3. RESULTS AND DISCUSSIONS

Table 2. Normality Test Results *One Sample Kolmogorov Smirnov Test*

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		80
Normal Parameters[a,b]	MeanType equation here.	.0000000
	Std. Deviation	1.92245727
Most Extreme Differences	Absolute	.080
	Positive	.080
	Negative	-.074
Test Statistic		.080
Asymp. Sig. (2-tailed)		.200[c,d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Based on the results of the data test above, it appears that the significant value *Asymp.Sign.* (2-*tailed*) is 0.200>0.05, so it is in accordance with the basis for decision making in the normality test *Kolmogorof-Smirnov* then it can be concluded that the data is normally distributed.

Multicollinearity Test

Multicollinearity test, namely if the tolerance value is greater than 0.10 and VIF is below 10 (VIF < 10), then the regression model does not show symptoms of multicollinearity.

Table 3. Multicollinearity Test Results

Coefficients[a]							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Say.	Tolerance	VIF
1 (Constant)	9.557	4.256		2.245	.028		
X1	.425	.057	.625	7.498	.000	.483	2.070
X2	.197	.056	.294	3.534	.001	.483	2.070
a. Dependent Variable: Y							

Based on the table above, it can be seen that the tolerance value in this study is greater than 0.10 and the VIF value is below 10 which meets the requirements of good multicollinearity. So it can be concluded that in the variables of Internal Control (X1) and Internal Audit (X2) there are no symptoms of multicollinearity.

Heteroscedasticity test

In this study, the heteroscedasticity test was carried out using the test glazes. In heteroscedasticity testing using the test glazes that is, if the significance value > 0.05 then there is no symptom of heteroscedasticity, and vice versa if the significance value < 0.05 then there is a symptom of heteroscedasticity. A good regression model is if there is no heteroscedasticity. The heteroscedasticity test in this study can be presented as follows:

Table 4. Heteroscedasticity Test

Coefficients[a]					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Say.
1 (Constant)	1.151	2.984		.386	.701
X1	.005	.040	.020	.123	.902
X2	-.002	.039	-.009	-.057	.955
a. Dependent Variable: ABS_RES					

Based on the table above, it can be seen that the significance value of the variable, namely Internal Control (X1) is 0.902 and the significance value of the Internal Audit variable (X2) is 0.955, which means it is greater than 0.05. So it can be concluded that there is no heteroscedasticity symptom in both variables.

Multiple linear regression analysis

Results Multiple linear regression using the SPSS test tool as follows:

Table 5. Multiple Linear Regression

Coefficients[a]							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Say.	Tolerance	VIF
1 (Constant)	9.557	4.256		2.245	.028		
X1	.425	.057	.625	7.498	.000	.483	2.070
X2	.197	.056	.294	3.534	.001	.483	2.070
a. Dependent Variable: Y							

Based on the multiple linear regression table above, it can be seen that the results of the regression analysis obtained a constant value of 9.557, a coefficient for the Internal Audit

variable (X1) of 0.425 and an Internal Control variable (X2) of 0.197. Based on these results, the regression equation model obtained is as follows:

$Y = a + b1X1 + b2X2 + e$

$Y = 9.557 + 0.425\ X1 + 0.197\ X2 + e$

Based on the multiple linear regression equation model above, it can be interpreted as follows:

1) The constant value (a) of 9.557 means that if the Internal Control variable (X1) and the Internal Audit variable (X2) have a value of zero, then the Fraud Prevention variable for Procurement of Goods/Services (Y) has a value of 9.557.
2) The coefficient value (b_2) Internal Control regression (X1) is 0.425, meaning that if the Internal Control regression coefficient (X1) increases by one unit, the Goods/Services Procurement Fraud Prevention variable (Y) will increase by 0.0425 units.
3) The coefficient value (b_2) Internal Audit regression (X2) is 0.197, meaning that if the Internal Audit regression coefficient (X2) increases by one unit, the Goods/Services Procurement Fraud Prevention variable (Y) will increase by 0.197 units.

Model test (f test)

ResultsThe F test uses the SPSS test tool as follows:

Table 6. Results of the f-test

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Say.
1	Regression	838.228	2	419.114	110.531	.000[b]
	Residual	291.972	77	3.792		
	Total	1130.200	79			
a. Dependent Variable: Y						
b. Predictors: (Constant), X2, X1						

Based on the table above, the significance value of the variables Internal Audit (X1) and Internal Control (X2) on the Prevention of Fraud in Procurement of Goods/Services (Y) is 0.000<0.005 and the calculated f value is 110.531> 3.12. This means that there is a positive and significant influence between the variables Internal Control (X1) and Internal Audit (X2) on the Prevention of Fraud in Procurement of Goods/Services (Y) together or simultaneously.

Hypothesis test (t-test)

Based on the results of data processing using the SPSS test tool, the following t-test results were obtained:

Table 7. t-Test Results

Coefficients[a]					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Say.
1 (Constant)	9.557	4.256		2.245	.028
X1	.425	.057	.625	7.498	.000
X2	.197	.056	.294	3.534	.001
a. Dependent Variable: Y					

Referring to the table above, each variable of the t-test can be explained as follows:

The Influence of Internal Control (X1) on Fraud Prevention in Procurement of Goods/Services (Y)

Based on the table above, the significance value of the Internal Control variable (X1) on the Fraud Prevention variable for Procurement of Goods/Services (Y) is 0.000 < 0.05 and the calculated t value is known to be 7.498 > 0.67773, meaning that Internal Control (X1) has a positive and significant effect on Fraud Prevention for Procurement of Goods/Services (Y), so it can be concluded that H_1 accepted. These results are in accordance with research by Hermiyetti (2010) and Hidayati and Mulyadi (2017) which show that internal control has a significant effect on the occurrence of fraud procurement of goods/services. This means that well-designed and implemented internal control will increase the prevention of fraud in procurement of goods/services.

The Influence of Internal Audit (X2) on Fraud Prevention in Procurement of Goods/Services (Y)

Based on the table above, the significance value of Internal Audit (X2) on the variable of Prevention of Fraud in Procurement of Goods/Services (Y) is 0.001 < 0.05 and the calculated t value is 3.534 > 0.67773, meaning that Internal Audit (X2) has a positive and significant effect on Prevention of Fraud in Procurement of Goods/Services (Y), so it can be concluded that H_2 accepted. These results are consistent with the theory in Handoyo and Bayunitri's research (2021) which shows that internal audits have an effect on fraud prevention, where one way to prevent and minimize fraud is to improve the implementation of internal audits. This means that the implementation of internal audits that are well planned and carried out according to standards can help prevent fraud in procurement of goods/services.

Determinant Coefficient Test (R2)

Based on the results of data processing using the SPSS test tool, the results of the determination coefficient (R2) test were as follows:

Table 8. Determinant Coefficient (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.861[a]	.742	.735	1.947
a. Predictors: (Constant), X2, X1				

Based on the table above, the R square value is 0.742, this means that the variables of Internal Control (X1) and Internal Audit (X2) are able to influence the Prevention of Fraud in Procurement of Goods/Services (Y) by 74.2%, while the remaining 25.8% is influenced by other variables that were not examined in this study. In other words, prevention efforts fraud in the procurement of goods/services, this can be done by implementing internal control and internal audits.

4. CONCLUSIONS AND SUGGESTIONS

Based on the research results above, it can be concluded that internal control and internal audit have a positive impact on prevention efforts fraud in government procurement of goods/services, with the following results:

H1: Internal control has a positive effect on prevention fraud. This means that well-designed and implemented internal controls will increase the prevention of fraud occurring.fraud in procurement of goods/services. These results are in accordance with research by Hermiyetti (2010) and Hidayati and Mulyadi (2017).

H2: Internal audit has a positive effect on prevention fraud. This means that the implementation of internal audits that are well planned and carried out according to standards can help with prevention efforts fraud in procurement of goods/services. Handoyo and Bayunitri's research (2021) shows that internal audits have an impact on fraud prevention, where one way to prevent and minimize fraud is to improve the implementation of internal audits.

This study is limited to testing only two variables that influence prevention efforts fraud procurement of goods/services. Therefore, the researcher suggests that further research examines other variables that may have an influence on prevention fraud in government procurement of goods/services, for example organizational culture, application of laws and regulations, moral and religious value factors, and so on.

The results of this study are expected to provide an overview or basis for designing an action to reduce or even prevent the occurrence of fraud in government procurement of goods/services, especially for government elements that are directly related to the implementation of procurement activities of goods/services. In addition, this research is expected to add to the literature in similar research.

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